

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

WS-04235A  
Utility Source, L.L.C. - Sewer Division  
721 E. San Pedro  
Gilbert, AZ 85234

**RECEIVED**

MAY 15 2007

AZ CORP COMM  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

5-18-07

SCANNED

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Utility Source, LLC</u>		
<b>Mailing Address</b> <u>721 E San Pedro</u>		
<u>Gilbert</u>	<u>AZ</u>	<u>85234</u>
(City)	(State)	(Zip)
<u>(480) 892-8756</u>	<u>(480) 892-3387</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		
<b>Local Office Mailing Address</b> <u>N/A</u>		
(Street)		
(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Wendy Ferguson</u> <u>CWC</u> <u>(Operator)</u>			
(Name)		(Title)	
<u>297 Antelope Dr</u>	<u>Sedona</u>	<u>AZ</u>	<u>86336</u>
(Street)	(City)	(State)	(Zip)
<u>(928) 203-2254</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			
<b>On Site Manager:</b> <u>Jeremy McCaleb</u>			
(Name)			
<u>4711 N Bellemont Springs</u>	<u>Bellemont</u>	<u>AZ</u>	<u>86015</u>
(Street)	(City)	(State)	(Zip)
<u>(928) 699-2226</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

<b>Statutory Agent:</b> Sallquist & Drummond, P.C.		Richard L. Sallquist	
(Name)			
2525 E Arizona Biltmore Circle, #A117	Phoenix	AZ	85016
(Street)	(City)	(State)	(Zip)
(602) 224-9222			
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Attorney:</b> SAA			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Email Address</b>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |   |   |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S)    | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                     |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                            |
| <input type="checkbox"/> Receivership (R)       | <input checked="" type="checkbox"/> Limited Liability Company             |
| <input type="checkbox"/> Other (Describe) _____ |   |

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |                                   |  |
|-------------------------------------|-----------------------------------|--|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE  | <input checked="" type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE            |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE              |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL               |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA                |
| <input type="checkbox"/> STATEWIDE  |                                   |  |

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
351	Organization			
352	Franchises			
353	Land and Land Rights	105,000	0	105,000
354	Structures and Improvements	56,350	3,752	52,598
355	Power Generation Equipment	32,200	3,220	28,980
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	260,553	10,422	250,131
362	Special Collecting Structures			
363	Services to Customers	60,375	2,416	57,959
364	Flow Measuring Devices	3,450	346	3,104
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.	1,106,874	110,688	996,186
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	<b>TOTALS</b>	<b>1,624,802</b>	<b>130,844</b>	<b>1,493,958</b>

This amount goes on the Balance Sheet Acct. No. 108

**CALCULATION OF DEPRECIATION EXPENSE**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization			
352	Franchises			
353	Land and Land Rights	105,000		-0-
354	Structures and Improvements	56,350	3.33%	1,876
355	Power Generation Equipment	32,200	5 %	1,610
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	260,553	2 %	5,211
362	Special Collecting Structures			
363	Services to Customers	60,375	2 %	1,208
364	Flow Measuring Devices	3,450	5 %	173
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.	1,106,874	5 %	55,344
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	<b>TOTALS</b>	<b>1,624,802</b>		<b>65,422</b>

This amount goes on the Comparative Statement of Income and Expense Acct. 403 

**COMPANY NAME** Utility Source, LLC

## **BALANCE SHEET**

<b>Acct No.</b>		<b>BALANCE AT BEGINNING OF TEST YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 1,059.12	\$ 192.35
132	Special Deposits		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	11,272.06	11,500.91
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 12,331.18	\$ 11,693.26
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 1,624,802.00	\$ 1,624,802.00
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	( 65,422.00)	( 130,844.00)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 1,559,380.00	\$ 1,493,958.00
	<b>TOTAL ASSETS</b>	<b>\$ 1,571,711.18</b>	<b>\$ 1,505,651.26</b>

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 0.00	\$ 0.00
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 0.00	\$ 0.00
	<b>DEFERRED CREDITS</b>		
252	Advances in Aid of Construction	\$	\$
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	0.00	\$ 0.00
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Other Paid in Capital		
215	Retained Earnings	( 102,881.54)	( 268,564.86)
218	Proprietary Capital (Sole Props and Partnerships)	1,674,592.72	1,774,216.12
	<b>TOTAL CAPITAL</b>	\$ 1,571,711.18	\$ 1,505,651.26
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 1,571,711.18</b>	<b>\$ 1,505,651.26</b>

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$	\$
522	Measured Revenues	46,145.09	50,034.44
536	Other Wastewater Revenues	1,657.47	
	<b>TOTAL REVENUES</b>	<b>\$ 47,802.56</b>	<b>\$ 50,034.44</b>
	<b>OPERATING EXPENSES</b>		
701	Salaries and Wages	\$	\$
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense		29,444.74
715	Purchased Power	17,442.83	26,770.45
716	Fuel for Power Production		
718	Chemicals	3,944.76	9,231.27
720	Materials and Supplies	4,793.26	13,636.69
731	Contractual Services – Professional	1,195.00	9,107.39
735	Contractual Services – Testing	20,472.00	10,786.50
736	Contractual Services – Other	15,000.00	32,371.76
740	Rents		
750	Transportation Expense		
755	Insurance Expense		
765	Regulatory Commission Expense		
775	Miscellaneous Expense	5,464.61	13,087.75
403	Depreciation Expense	65,422.00	65,422.00
408	Taxes Other Than Income		
408.11	Property Taxes	867.14	5,859.21
409	Income Taxes		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 134,601.60</b>	<b>\$ 215,717.76</b>
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/EXPENSE</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ ( 86,799.04)</b>	<b>\$ (165,683.32)</b>



<b>COMPANY NAME</b> Utility Source, LLC
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**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

<b>COMPANY NAME</b> Utility Source, LLC
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**WASTEWATER COMPANY PLANT DESCRIPTION**

**TREATMENT FACILITY**

<b>TYPE OF TREATMENT</b> (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Extended aeration, stepfeed system
<b>DESIGN CAPACITY OF PLANT</b> (Gallons Per Day)	37,500 gpd    Plant #1 100,000 gpd    Plant #2

**LIFT STATION FACILITIES**

<b>Location</b>	<b>Quantity of Pumps</b>	<b>Horsepower Per Pump</b>	<b>Capacity Per Pump (GPM)</b>	<b>Wet Well Capacity (gals)</b>
Bellefont Travel Center	2	1.5 hp	50 GPM	1,500 gal
Flagstaff Meadows WWTP	2	3 hp	150 GPM	8,000 gal

**FORCE MAINS**

<b>Size</b>	<b>Material</b>	<b>Length (Feet)</b>
4-inch	SDR-35	2,200'
6-inch		

**MANHOLES**

<b>Type</b>	<b>Quantity</b>
Standard	60
Drop	

**CLEANOUTS**

<b>Quantity</b>
1

**COMPANY NAME** Utility Source, LLC

**WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**COLLECTION MAINS**

<b>Size (in inches)</b>	<b>Material</b>	<b>Length (in feet)</b>
4		
6		
8	SDR-35	16,224
10	SDR-35	360
12		
15		
18		
21		
24		
30		

**SERVICES**

<b>Size (in inches)</b>	<b>Material</b>	<b>Quantity</b>
4	SDR-35	327
6	SDR-35	3
8		
12		
15		

**FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY**

<b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>	25,000 sludge holding tank-sludge hauled away
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	1 Peristaltic chemical pump
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Mixed media filter continuous backwash
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	700 sq ft building 12' wide rolling gate 6' cinder block fence; 376' in length
<b>OTHER</b> (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	O2 sensor, c12 meter, backup generator, backup pumps, backup compressor, peristaltic meth pump

**COMPANY NAME** Utility Source, LLC

### **WASTEWATER FLOWS**

<b>MONTH/YEAR (Most Recent 12 Months)</b>	<b>NUMBER OF SERVICES</b>	<b>TOTAL MONTHLY SEWAGE FLOW</b>	<b>SEWAGE FLOW ON PEAK DAY</b>
January 2006	350	1,511,010	44,358
February 2006	354	1,523,839	57,153
March 2006	356	1,429,170	57,166
April 2006	356	1,616,438	64,853
May 2006	348	1,590,115	63,905
June 2006	351	1,679,866	55,751
July 2006	360	1,838,044	63,100
August 2006	369	1,581,712	71,550
September 2006	339	1,655,672	57,958
October 2006	373	1,336,922	51,679
November 2006	368	1,310,112	59,301
December 2006	360	1,254,739	59,300

### **PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE**

<b>Method of Effluent Disposal</b> (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Surface Water Discharge
<b>Wastewater Inventory Number</b> (all wastewater systems are assigned an inventory number)	104083
<b>Groundwater Permit Number</b>	N/A
<b>ADEQ Aquifer Protection Permit Number</b>	P 104083
<b>ADEQ Reuse Permit Number</b>	R-104083
<b>EPA NPDES Permit Number</b>	AZ 0024708

## STATISTICAL INFORMATION

Total number of customers 373

Total number of gallons treated 18,327,639 gallons

COMPANY NAME Utility Source, LLC

YEAR ENDING 12/31/2006

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported -0-  
Estimated or Actual Federal Tax Liability -0-

State Taxable Income Reported -0-  
Estimated or Actual State Tax Liability -0-

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances -0-  
Amount of Gross-Up Tax Collected -0-  
Total Grossed-Up Contributions/Advances -0-

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

**RECEIVED**

MAY 15 2007

AZ CORP COMM  
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) Coconino
NAME (OWNER OR OFFICIAL) TITLE Lonnie McCleve
COMPANY NAME Utility Source, LLC

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

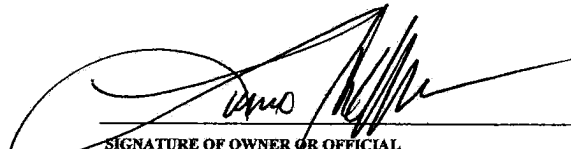
MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
(480) 892-8956  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

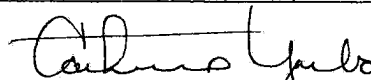
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14<sup>th</sup> DAY OF  
"OFFICIAL SEAL"  
Catherine Yorba  
(Notary Public-Arizona)  
Yavapai County  
My Commission Expires 1/10/2008

MY COMMISSION EXPIRES

1/10/2008

COUNTY NAME	Yavapai
MONTH	May
	2007

  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Utility Source, LLC YEAR ENDING 12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 5,859.21

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**

MAY 01 2007

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <b>COCONINO</b>
NAME (OWNER OR OFFICIAL) TITLE <b>GARY BULECHEK</b>
COMPANY NAME <b>UTILITY SOURCE, LLC</b>

**AZ CORP COMM  
Director Utilities**

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 50,034.44

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 0.00


IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

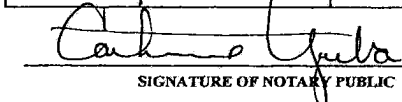
**SUBSCRIBED AND SWORN TO BEFORE ME**

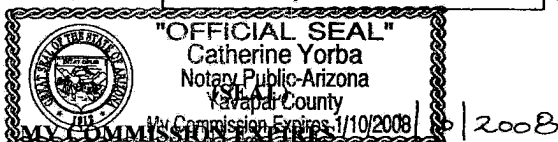
**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 27<sup>th</sup> **DAY OF**

  
SIGNATURE OF OWNER OR OFFICIAL  
(480) 892-8756  
TELEPHONE NUMBER

COUNTY NAME	<u>Yavapai</u>
MONTH	<u>April</u> , 20 <u>07</u>

  
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**RECEIVED**

MAY 01 2007

VERIFICATION

AZ CORP COMM  
Director Utilities

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) COCONINO	
NAME (OWNER OR OFFICIAL) GARY BULECHEK	TITLE MEMBER
COMPANY NAME UTILITY SOURCE, LLC	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2006
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ <u>43,677.88</u>
--

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 0.00  
IN SALES TAXES BILLED, OR COLLECTED

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

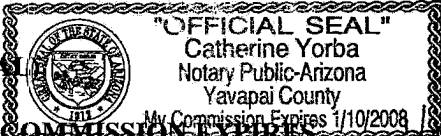
X *Gary Bulechek*  
SIGNATURE OF OWNER OR OFFICIAL  
(480) 892-8756  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 27<sup>th</sup> DAY OF

NOTARY PUBLIC NAME <u>Catherine Yorba</u>	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>April</u>	20 <u>07</u>

(SEAL)   
MY COMMISSION EXPIRES 1/10/2008

X *Catherine Yorba*  
SIGNATURE OF NOTARY PUBLIC